

NEVADA BLM BONDING PROCESS FOR NOTICES AND PLANS OF OPERATIONS AUTHORIZED BY 43 CFR 3809

GENERAL

1. In accordance with the 43 CFR 3809 regulations, reclamation bonds are required for both plans of operations and notices. Notice level operations include only exploration activities in which five or less acres of disturbance are proposed. However, if a notice was submitted to the BLM prior to January 20, 2001, and includes mining activities, that notice may continue as proposed provided the notice has not been modified and it is bonded by January 20, 2003. In order to avoid termination, all notices submitted prior to January 20, 2001 will need to be bonded by January 20, 2003. After January 20, 2003, notices without bonds will expire and operations, except reclamation activities, are no longer authorized. Notices bonded by January 20, 2003, may be extended for a two year period and may be further extended on two year intervals.

Plans of operations include all mining and processing activities (regardless of the size of proposed disturbance), plus all other activities exceeding five acres of proposed public land disturbance. A plan of operations is also needed for any bulk sampling in which 1,000 tons or more of presumed ore for testing is proposed for removal.

2. Operators must submit a Reclamation Cost Estimate when submitting their notice or plan of operations with the appropriate BLM Field Office. Reclamation cost estimates for both notices and plans of operations must be sufficient to cover 100% of the cost of reclaiming the proposed disturbance. All reclamation costs are to be calculated as if third party contractors were performing the reclamation after the site has been vacated by the operator. It is recommended that the Reclamation Cost Estimation Summary Sheet be used to show how proposed reclamation costs were calculated - see Attachment 1. The summary sheet also lists the administrative costs that would occur should a third party contract be issued to reclaim a site. The administrative cost calculations must be included when estimating total reclamation costs.

3. The BLM Field Manager reviews the Reclamation Cost Estimate and determines the bond amount needed for each submitted notice or plan. The Field Manager notifies the operator of the needed bond amount. For Nevada, bond instruments along with the appropriate bond form are submitted to the Nevada State Office (Division of Minerals Management) in Reno for adjudication and acceptance. The bond instruments are held and maintained by the BLM Nevada State Office.

4. Financial guarantee (bond) instruments submitted to the BLM Nevada State Office are to be accompanied by the proper Nevada 3809 bond contract forms and power of attorney (Nevada forms NV 3809-1 and NV 3809-2 - see Attachments 2 and 3). The language of these bond contract forms has been approved by the BLM's Regional Solicitor. Alternate language from an operator requires Regional Solicitor approval and will result in delays in bond acceptance by the BLM Nevada State Office.

5. With the exception of sand and aggregate operations, all plan level operators must also acquire a permit from the State of Nevada, Division of Environmental Protection (NDEP). The Bureau of Land Management (BLM) in Nevada has a cooperative agreement with the NDEP concerning financial guarantees for plan level operations. Upon mutual agreement, the BLM in Nevada and the NDEP will allow for joint reclamation cost determinations and the submittal of one bond by an operator to satisfy the reclamation bond requirement of both agencies.

RECLAMATION COST MODEL FOR NOTICE LEVEL OPERATIONS

As a result of the revised 43 CFR 3809 surface management regulations on January 20, 2001, bonding of notices became a BLM requirement. New workloads were placed on operators, as well as the BLM, in the development and review of reclamation cost estimates for bonding purposes. In many cases, the type of exploration activity proposed by notice level operations would not justify the time and expense involved in completing detailed cost estimates for the proposed operations. The BLM in Nevada has developed an automated reclamation cost model that can be utilized by an operator in estimating reclamation costs. Each Field Office can assist operators in entering the necessary information and obtaining a reclamation cost estimate for their notice level activities.

The model is a simple Excel© spreadsheet and cost estimates include mobilization and demobilization costs, labor and equipment costs for earthwork, revegetation and hole plugging (when appropriate), and administrative costs. To calculate an estimated reclamation cost, an operator need only to enter some easily obtained information about the proposed exploration activities. Use of the model is not

required nor is it always appropriate to use. The use of the automated reclamation cost model is entirely optional by notice level operators. It is provided as a tool to simplify the reclamation cost calculation requirement. A detailed or engineered cost analysis is always acceptable.

FINANCIAL GUARANTEE INSTRUMENTS

The BLM in Nevada accepts the following instruments as financial guarantees for reclamation bonds:

- 1. Surety bonds - when the surety company is authorized to do business with the United States as approved by the U.S. Treasury Department. A current list of authorized companies is available by calling 202-874-6850 or through the Internet at <http://www.fms.treas.gov/c570/c570.html>. Attachment 2 (form NV 3809-1) contains the surety bond form which must accompany this type of financial guarantee.**
- 2. Cash, certified check, or bank draft (Guaranteed Remittance) - in an amount equal to the required dollar amount of the financial guarantee, to be deposited and maintained in a Federal depository account of the United States Treasury by the BLM. Personal and foreign checks are not accepted.**
- 3. Irrevocable letters of credit - from a bank or financial institution located in the United States. See Attachment 4 for further information.**
- 4. Certificates of Deposit (Time Deposits) - when placed through a bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), or a bank that is a Federal Reserve Branch Bank, and the deposit is not in excess of the maximum insurable amount. See Attachment 4 for further information.**
- 5. Negotiable securities of the United States - having a market value at the time of deposit of not less than the dollar amount required for bonding. See Attachment 5 for further information.**
- 6. Investment-grade rated securities - having a Standard and Poor's rating of AAA or AA or an equivalent rating from a nationally recognized securities rating service.**
- 7. Insurance - when its form and function is such that the funding or enforceable pledges of funding are used to guarantee performance of regulatory obligations in the event of default on such obligations. Insurance must have an A.M. Best rating**

of “superior” or an equivalent rating from a nationally recognized insurance rating service.

8. State of Nevada Reclamation Bond Pool coverage - when issued under Nevada Administrative Code (NAC) 519A.510 and approved by the State of Nevada, Division of Minerals.

The BLM in Nevada accepts any of the bonding instruments listed in numbers 1 through 5 above from a third party with the use of the appropriate bond and rider forms. Attachment 3 (form NV 3809-2) is the personal bond form which must be accompanied by one of the financial guarantees described in numbers 2 through 5 above.

The BLM in Nevada will no longer accept new corporate guarantees that have been approved by the State of Nevada. The corporate guarantees that were in effect on January 20, 2001, will remain in effect, however they cannot be increased. Also, the existing approved corporate guarantees cannot be transferred to another operator or operation.

STATEWIDE AND NATIONWIDE BONDS

The surface management regulations at 43 CFR 3809 provide for statewide and nationwide bonds. These bonds can be used to cover all of an operator's notices and plans of operations in one state (statewide bond) or in all states in which the BLM administers lands that are open to the General Mining Laws (nationwide bond).

When notices and plans of operations are to be covered by the same statewide/nationwide bond, an operator must submit the surety bond or personal bond and financial instrument to the BLM for processing and acceptance. In Nevada, the BLM Nevada State Office will receive, adjudicate and maintain statewide bonds as well as nationwide bonds it receives. The BLM State Office to which a nationwide bond is submitted will be the management office for BLM.

PHASED OR INCREMENTAL BONDING

Upon request by the operator, BLM in Nevada may allow phased or incremental bonding for plans of operations. Some plans can be designed so that operations will occur in discrete "blocks" or operational phases. Bond coverage will be

adjusted to cover each phase of an operation as it progresses. In all cases, bond coverage will be required prior to disturbance.

Likewise, reclamation can be designed to occur in discrete blocks or phases. An entire site may be reclaimed in phases or an operation may be designed so that reclamation is completed in one area while new disturbance is beginning elsewhere in the same operation. In the latter case, a fixed amount of bond coverage may be "rolled over" from one part of the operation to another.

FINANCIAL GUARANTEE REDUCTION AND RELEASE

The 43 CFR 3809 regulations require that all plans and notices submitted after January 20, 2001, be covered by a financial guarantee before conducting operations. The financial guarantee must be sufficient to cover 100% of the cost to stabilize and reclaim the site, including the cost of any action needed to prevent unnecessary or undue degradation of the Federal lands should premature cessation or abandonment of the operation occur. The following guidelines provide for the reduction and final release of financial guarantees held for plan of operations and notice level activities:

- Up to 60%¹ of the total financial guarantee for an operational area within a designated project area, or an entire project area, may be released when all dirtwork has been completed and the area has been prepared to receive seed. Requirements include: drill hole plugging; backfilling; recontouring; grading; completion of acid rock drainage (ARD) control; establishment of surface and subsurface drainage controls; stabilization and neutralization of leach heaps, process ponds, leach-bearing tailings, and similar facilities.
- The remaining portion (at least 40%) of the financial guarantee may be released when all structures and other facilities have been removed and the area has been revegetated to establish a diverse, effective and permanent vegetative cover, all monitoring and maintenance requirements have been met, and when discharged effluent has met, without violations and without the necessity for additional treatment,

¹ An exception to the 60% release may be granted by the appropriate BLM field manager upon request of the operator. For exploration operations and certain mining operations that do not involve processing activities or require ARD controls, up to 85% of the total financial guarantee may be released upon completion of all drill hole plugging, dirt work, structural removal and revegetation. The remaining 15% may be released upon completion of any final reclamation requirements, such as revegetation

applicable effluent limitations and water quality standards for at least one full year.

For those operations that may require long-term (more than five years) post-closure monitoring and maintenance activities, operators may choose to acquire separate financial instruments to address and cover those identified long-term post-closure obligations. This would allow for release of the original financial guarantee upon completion of all reclamation and closure activities.

The determination of successful revegetation of mining disturbances is defined in *NEVADA GUIDELINES FOR SUCCESSFUL REVEGETATION FOR THE NEVADA DIVISION OF ENVIRONMENTAL PROTECTION, THE BUREAU OF LAND MANAGEMENT AND THE U.S.D.A. FOREST SERVICE* (FINALIZED 09/03/98). In addition, Attachment A, *Documentation of Reclamation Activities for Surety Release*, of the Reclamation Permit issued by the Nevada Division of Environmental Protection (NDEP) details documentation required for final release of the financial guarantee (see Attachment 8).

Each notice and plan of operations must include a section addressing site-specific financial guarantee release criteria, which includes requirements in Attachment A of the NDEP reclamation permit, revegetation goals, and the technical method to be used to estimate vegetative cover.

Requests for a reduction or final release of a financial guarantee covering operations on public lands must be made in writing to the appropriate BLM field manager. For plans of operations, the request is coordinated by the BLM and the NDEP with a decision jointly made between the two agencies. Also for plans of operations, final release of a financial guarantee can not be completed until BLM posts the final release proposal in the appropriate BLM field office or publishes a notice of the proposed final release in a local newspaper of general circulation and accepts public comments for 30 calendar days. Such a notification is not required for the final release of a financial guarantee held for notice level operations.

TRANSFER OR CHANGE OF OPERATOR

Any change of operator must be promptly reported to the appropriate BLM field office. In the event of a change of operator involving an existing notice or approved plan of operations, the BLM will not transfer reclamation responsibility

monitoring, signing, fence removal, etc.

to the new operator until it is assured that the new operator or the subject operation has satisfied the requirements of the 43 CFR 3809 regulations as they relate to bonding. Reclamation responsibility remains with the existing bond until satisfactory replacement bonding is accepted for the operation. To expedite approval of operator transfer or change, the form contained in Attachment 9 may be submitted to the appropriate BLM field office.

ATTACHMENTS:

- 1. Reclamation Cost Estimation Summary Sheet and Reclamation Cost Checklist (5 pp)**
- 2. Contract Form for Surety Bond (4 pp)**
- 3. Contract Form for Personal Bond (3 pp)**
- 4. Information on Time Deposits and Letters of Credit (2pp)**
- 5. Information on Negotiable Securities of the United States (3pp)**
- 6. Personal Bond Rider Form (2pp)**
- 7. Attachment A of the NDEP Reclamation Permit (2pp)**
- 8. Notification of Change of Operator (1p)**

ATTACHMENT 1

RECLAMATION COST ESTIMATION SUMMARY SHEET and RECLAMATION COST CHECKLIST

BLM Casefile No. _____

Project Name: _____

Notice ☐ Plan of Operations ☐

RECLAMATION COST ESTIMATION SUMMARY SHEET

Enter those values in the cost estimate that are appropriate to this project. All reclamation costs are to be calculated as third party contracts. **This summary sheet is to be accompanied by a worksheet describing how each itemized cost estimation was calculated.**

A. EARTHWORK/RECONTOURING

<u>ITEM</u>	<u>MANPOWER¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Roads	\$ _____	\$ _____	\$ _____	\$ _____
2. Drill Site(s)	\$ _____	\$ _____	\$ _____	\$ _____
3. Drill Hole Abandonment	\$ _____	\$ _____	\$ _____	\$ _____
4. Pits/Adits/Trenches	\$ _____	\$ _____	\$ _____	\$ _____
5. Process Ponds	\$ _____	\$ _____	\$ _____	\$ _____
6. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
7. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
8. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
9. Structure & Building Areas	\$ _____	\$ _____	\$ _____	\$ _____
10. Storage & Equipment Areas	\$ _____	\$ _____	\$ _____	\$ _____
11. Drainage Control	\$ _____	\$ _____	\$ _____	\$ _____
12. Mobilization/Demobilization	\$ _____	\$ _____	\$ _____	\$ _____
13. Miscellaneous ²	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL "A"	\$ _____	\$ _____	\$ _____	\$ _____

B. REVEGETATION/STABILIZATION

<u>ITEM</u>	<u>MANPOWER¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Roads	\$ _____	\$ _____	\$ _____	\$ _____
2. Drill Site(s)	\$ _____	\$ _____	\$ _____	\$ _____
3. Pits/Adits/Trenches	\$ _____	\$ _____	\$ _____	\$ _____
4. Process Ponds	\$ _____	\$ _____	\$ _____	\$ _____
5. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
6. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
7. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
8. Structure & Building Areas	\$ _____	\$ _____	\$ _____	\$ _____
9. Storage & equipment Areas	\$ _____	\$ _____	\$ _____	\$ _____
10. Drainage Control	\$ _____	\$ _____	\$ _____	\$ _____
11. Monitoring	\$ _____	\$ _____	\$ _____	\$ _____
12. Miscellaneous ²	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL "B"	\$ _____	\$ _____	\$ _____	\$ _____

C. DETOXIFICATION/WATER TREATMENT/DISPOSAL OF WASTES

<u>ITEM</u>	<u>MANPOWER¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>
1. Process Ponds/Sludge	\$ _____	\$ _____	\$ _____	\$ _____
2. Heaps	\$ _____	\$ _____	\$ _____	\$ _____
3. Dumps (Waste & Landfill)	\$ _____	\$ _____	\$ _____	\$ _____
4. Tailings	\$ _____	\$ _____	\$ _____	\$ _____
5. Surplus Water Disposal	\$ _____	\$ _____	\$ _____	\$ _____
6. Fluid Management ³	\$ _____	\$ _____	\$ _____	\$ _____
7. Monitoring	\$ _____	\$ _____	\$ _____	\$ _____
8. Miscellaneous ²	\$ _____	\$ _____	\$ _____	\$ _____
SUBTOTAL "C"	\$ _____	\$ _____	\$ _____	\$ _____
	<u>MANPOWER¹</u>	<u>EQUIPMENT</u>	<u>MATERIALS</u>	<u>TOTAL</u>

D. STRUCTURE, EQUIPMENT AND FACILITY REMOVAL	\$ _____	\$ _____	\$ _____	\$ _____
E. SUBTOTAL - OPERATIONAL PROJECT COSTS (A THROUGH D)	\$ _____	\$ _____	\$ _____	\$ _____
F. CONTINGENCY⁴				\$ _____
G. INSURANCE⁵ (ON SITE LIABILITY)				\$ _____
H. BOND¹ (PERFORMANCE AND PAYMENT)				\$ _____
I. PROFIT¹				\$ _____
J. CONTRACT ADMINISTRATION¹				\$ _____
K. GRAND TOTAL (E THROUGH J)			\$ _____	

1. For Federal construction contracts. Davis-Bacon wage rates are required for contracts over \$2,500. Wage rates also contain Federal Insurance Corporation of America (FICA) and other required coverage and benefits covering the workforce. If the quoted hourly rates contain Davis-Bacon wage rates, FICA and insurance bond premiums, the operator may sign a statement under penalty of USC 1001, that the above listed rates contain these items and that itemization of these costs are therefore not necessary.

2. Miscellaneous items should be itemized on accompanying worksheets.

3. Calculate and use only when mineral processing activities using chemical reagents are involved. Fluid management represents the costs of maintaining proper fluid management to prevent overflow of solution ponds through premature cessation or abandonment of operations. Calculate a six month direct cost estimate which includes power, supplies, equipment, labor and maintenance.

4. A contingency cost is included in the cost estimation to cover variables in estimated reclamation costs. Calculate the contingency cost as a percentage of the operational project costs as follows: up to and including \$500,000, use 10%; over \$500,000 to \$5 million, use 8%; over \$5 million to \$50 million, use 6%; and greater than \$50 million, use 4%.

5. Insurance premiums are calculated at 1.5% of the total manpower costs. Enter the premium amount on this line if insurance items listed in #1 above are not included in the itemized unit costs.

6. Federal construction contracts exceeding \$100,000 require both a performance and a payment bond (Miller Act, 40 USC 270 et seq.). Each bond premium is figured at 1.5% of the total operational project costs. Enter the sum of both premium costs on this line.

7. For Federal construction contracts, use 10% of estimated operational project costs.

8. For Federal construction contracts, use 18% of operational project costs for estimates up to and including \$1 million. Use 14% of estimated project costs over \$1 million to \$25 million and 10% of estimated project costs over \$25 million.

The source of the equipment cost estimate is (Caterpillar Performance Handbook, contractor's estimate, etc.):

43 CFR 3809

RECLAMATION COST CHECKLIST

NOTE: This checklist is provided to assist the operator in calculating the engineering and environmental costs required to properly stabilize and reclaim an area disturbed by mineral exploration and/or mining operations. The checklist is designed to accompany the RECLAMATION COST ESTIMATION SUMMARY SHEET. It is not all inclusive, but is intended to serve as a reminder of issues that should be considered.

In all cases, the operator should submit a topographic map of appropriate scale with the proposed operations and sites of disturbance clearly depicted upon it. Accompanying the map is a document containing the actual detailed calculation of the costs of the proposed reclamation.

The notice or plan of operations cannot be processed until the map and detailed calculations are submitted. When requested, the BLM will assist the operator in obtaining a proper reclamation cost estimate.

Access roads and drill pads

1. Mobilization and demobilization
2. Recontouring or regrading to approximate the original topography as closely as possible.
3. Removing culverts.
4. Ripping or scarifying the surface.
5. Water diversion construction.
6. Restoring or stabilizing drainage areas or stream beds.
7. Revegetation

Drill hole and well abandonment

7. These are the requirements given in NAC 534. The cost of plugging, capping, and segregation of the hole from the ground water system is to be considered. Drill holes that will be plugged as per NAC 534 with onsite drilling equipment do not have to be considered for bonding. Drill holes that will not be plugged as per NAC 534 with onsite drilling equipment must use a third party reclamation cost estimate and be bonded. Drill holes that will be "mined through" within six months of drilling completion by the proposed operation do not have to be considered for bonding.
8. Water wells, monitoring wells and piezometers are abandoned in accordance with NAC 534 and are part of the reclamation cost estimate and bonding process.

Trenches, pits, and adits

1. Mobilization and demobilization.
2. Recontouring or regrading to approximate the original topography as closely as possible.
3. Revegetation.
4. Securing portals from public entry.

Waste rock dumps, overburden, and interburden storage areas

1. Encapsulating, mixing, or other engineered placement method in controlling acid rock drainage (ARD) migration.
2. Recontouring and regrading to approximate the surrounding topography as closely as possible to enhance stability, reduce susceptibility to erosion, facilitate efforts to establish vegetation.
3. Diverting run-on.
4. Covering with rock, clay, topsoil, other growth medium or other cover material.
5. Revegetation.

Dams for tailings ponds.

1. Covering with rock, clay, topsoil, other growth medium or other cover material.
2. Revegetation.
3. Rendering the dam incapable of storing any mobile fluid in a quantity which could pose a threat to the stability of the dam, or to the public safety.
4. Containment basins and water treatment facilities for leakage or outflow of effluent.

Impoundment for tailings.

1. Regrading to promote run-off and reduce infiltration.
2. Covering with waste rock, clay, topsoil, other growth medium or other cover material.
3. Revegetation.
4. Diverting run-off.
5. Containment basins and water treatment facilities for leakage or outflow of effluent.

Heaps from leaching.

1. Cost of maintaining proper fluid management to prevent overflow of solution ponds through premature cessation or abandonment of the operation (six month direct cost estimate for recirculating process fluids). Include the cost of a Process Fluid Inventory, which typically runs from \$15,000 to \$35,000, depending on site complexity.
1. Rinsing, detoxification and neutralization procedures as approved in the plan of operations.
2. Containment and treatment of outflows of residual chemicals or fluids from the heaps, including any disposal of surplus or drain down water. Include all engineering, development and reclamation costs.
1. Diverting run-off.
2. Regrading to enhance structural stability, promote run-off, reduce infiltration, and control erosion.
6. Covering with waste rock, clay, topsoil, other growth medium or other cover material.
7. Stabilization and revegetation.

Solution ponds, settling ponds, and other non-tailings impoundments.

1. Backfilling and grading as approved in the plan of operations.
2. Restoring the pre-disturbance surface water regime, if appropriate.
3. Properly dispose of process pond sludge.

Building foundations, facilities, structures and other equipment.

1. Demolishing costs to the level of the foundation and burying costs of the demolished items on site, in conformance with applicable solid waste and hazmat disposal requirements.
2. Salvaging and sale costs. No provision for salvage value or credit is permitted.
3. Off-site disposal costs of "1" above, in conformance with applicable solid waste disposal and hazmat requirements.
4. Costs of continued use in a manner that is consistent with the proposed post mining land use.

Open pit mines.

1. Providing for the public safety.
2. Stabilizing pit walls or rock faces where required for public safety.
3. Constructing and maintaining berms, fences, or other means of restricting public access.
4. Backfilling and grading as approved in the plan of operations
5. Costs of creating and maintaining a lake for recreational, wildlife enhancement, or other beneficial use as approved in the plan of operations.
6. Revegetation.

Underground mines.

1. Sealing shafts, adits, portals, and tunnels to prevent underground access.
2. Constructing and maintaining berms, fences, or other means of restricting access.

Revegetation

1. Application of top soil or other growth medium.
2. Seed bed preparation.
3. Selection of appropriate species of seeds or plants (consult BLM staff specialist).
4. Soil amendments such as fertilizers, mulches, or other compounds to assist in plant growth.
5. Planting or seeding (equipment, personnel, cost of seeds/plants).

Site Maintenance and Site Monitoring

1. Site monitoring costs as required in the approved plan of operations.
2. Monitoring well costs for heaps, leach fields, bioreactors and tailings ponds as required by the NDEP based on a minimum of five years monitoring.

ATTACHMENT 2

CONTRACT FORM FOR SURETY BOND

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE MANAGEMENT SURETY BOND
FOR PLANS OF OPERATIONS AND/OR FOR NOTICES

Act of May 10, 1872, as amended (30 USC 22-54)
Act of October 21, 1976, as amended (43 USC 1732-35, 1744, 1782)
Act of September 13, 1982 (31 USC 9301 et seq.)
Act of October 18, 1986 (100 STAT 1783)
Act of October 30, 1986 (100 STAT 3341)
Act of September 27, 1988 (102 STAT 1776)

Plan of Operations - BLM Serial No.: NVN

or

Notice - BLM Serial No.: NVN

or

Statewide Bond: _____ or Nationwide Bond Coverage: _____
(If applicable, give name of state) (If applicable, write 'YES')

KNOW ALL BY THESE PRESENTS, THAT (name)

of (address) _____, as principal; and

_____, as surety;

are held firmly bound unto the United States of America in the sum of :

_____USDollars
(\$ _____), lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond, for the payment of which sum the principal and surety bind themselves successors, and assigns, jointly and severally, by these presents.

The principal/surety shall apply this bond for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the notice(s) and/or plan(s) of operations as cited above, and the regulations at 43 CFR Subpart 3809 and 3802. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that surety/principal shall apply the bond or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

1. WHEREAS the principal has an interest in mining claim(s), millsite(s), or tunnel site(s) and/or responsibility for operations on the mining claim(s), millsite(s), tunnel site(s) or Public Lands under the Acts cited in this bond; and
2. WHEREAS the principal has filed a notice as cited above with the United States Department of the Interior and/or filed for approval a plan of operations as cited above from the United States Department of the Interior, which notice or plan of operations contains certain stipulations and conditions; and
3. WHEREAS the principal has promised to deliver to the United States a bond substantially in the form hereof upon the filing of the notice cited above with, and/or approval of the plan of operations cited above by, the United States Department of the Interior, Bureau of Land Management to secure his/her performance of the terms and conditions contained in said notice and/or plan of operations; and

- 4. WHEREAS the principal and surety agree that, with notice to the surety, the coverage of this bond, in addition to the present holdings of and/or authorization(s) granted to the principal, shall extend to and include:**
- a. Any transfer(s) of operating rights under the notice(s) and/or plan(s) of operations hereafter entered into or acquired by the principal affecting mining claim(s), millsite(s), tunnel sites(s), or the Public Lands; and**
 - b. Any activity subsequent hereto of the principal as operator under a notice and/or plan of operations issued pursuant to the Acts cited in this bond;**

Provided, that for Statewide and Nationwide bonds only, the surety may elect to terminate the additional coverage authorized under this paragraph. Such termination will become effective 30 days after the Bureau of Land Management receives notice of the election to terminate. After the termination becomes effective, the additional interests identified in this paragraph will not be covered by this bond; and

5. WHEREAS the principal and surety agree(s) that with notice to the surety this bond shall remain in full force and effect notwithstanding: Any assignment(s) of an undivided interest in any part or all of the mining claim(s), millsite(s), tunnel site(s), or Public Lands covered by the filed notice(s) and/or approved plan(s) of operations, in which event the assignee(s) shall be considered to be coprincipal(s) on this bond as fully and to the same extent as though his/her or their duly authenticated signatures appeared hereon; and

- 6. WHEREAS the principal/surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:**
- a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations or the notice and further agrees to remain bound under this bond as to the interests in the plan of operations or notice retained by the principal; and**
 - b. Any modification of the notice(s) and/or plan(s) of operations or obligations thereunder as provided in paragraph 4 herein; and**

7. WHEREAS the principal and surety hereby agree that notwithstanding the cancellation or relinquishment of any mining claim(s), millsite(s), or tunnel site(s) covered by the notice(s) and/or plan(s) of operations or, whether by operation of law or otherwise, the bond shall remain in full force and effect as to the terms and conditions of the notice(s) and/or plan(s) of operations and obligations covered by this bond; and

8. WHEREAS should the surety elect to cancel this bond, the surety agrees to give the principal and the Bureau of Land Management 90 days written notice by courier service or certified mail, return receipt requested, at their respective addresses as stated herein. The address of service for the Bureau of Land Management is Nevada State Office, P.O. Box 12000, (1340 Financial Boulevard) Reno, NV 89520-0006. The surety further agrees that in the event of such cancellation this bond shall remain in full force and effect as to all areas disturbed within the notice(s) and/or plan(s) of operations prior to the effective date of such cancellation, unless and until the principal shall file a substitute bond or other acceptable instrument to protect the interest of the Bureau of Land Management and such bond or instrument is accepted by the Bureau of Land Management. Post-cancellation obligations for all areas disturbed encompass further disturbances to previously disturbed areas within the operations which may occur after the effective date of cancellation. The surety, however, is not responsible for disturbances to new (previously undisturbed) areas occurring after the effective date of cancellation. The surety's liability shall continue to the penal sum of the bond irrespective of continued mining activities, after the effective date of cancellation, and shall not be affected by the timing of any default of the principal; and

9. WHEREAS the principal and surety agree that in the event of any default under the notice(s) and/or plan(s) of operations, the United States, through the Bureau of Land Management, may collect proceeds under the bond and may commence and prosecute any claim, suit, or other proceeding against the surety and principal, or either of them, without the necessity of joining the owner(s) of the mining claim(s), millsite(s), or tunnel site(s) covered by the notice(s) and/or plan(s) of operations; and

10. WHEREAS if the principal fails to comply with any provisions of the notice(s) and/or plan(s) of operations as covered by this bond, and the noncompliance continues for thirty (30) days after written notice thereof, such notice(s) and/or plan(s) of operations shall be subject to suspension or cancellation under Section 302(c) of the Federal Land Policy and Management Act, as amended [43 USC 1732(c)], and the principal shall also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended (43 USC 1733 and 1735) and applicable regulations at 43 CFR 3809. This provision shall not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

11. WHEREAS, on the faith of foregoing promises, representations, and appointments and in consideration of this bond, the United States has received the notice(s) and/or approved the plan(s) of operations referenced herein.

12. NOW, THEREFORE, the condition of this obligation is that if said principal, his/her heirs, executors, administrators, successors, or assigns shall, in all respects, faithfully comply with all of the provisions of the notice(s) and/or plan(s) of operations, and any amendments thereto, and the rules and regulations contained in 43 CFR 3809 or 3802, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

Executed this _____ day of _____ 200____.

Principal

By

Title

Business Address

Surety

Attorney-in-Fact

Business Address

ATTACHMENT 3

CONTRACT FORM FOR PERSONAL BOND

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE MANAGEMENT PERSONAL BOND
FOR PLANS OF OPERATIONS AND/OR FOR NOTICES

Act of May 10, 1872, as amended (30 USC 22-54)
Act of October 21, 1976, as amended (43 USC 1732-35, 1744, 1782)
Act of September 13, 1982 (31 USC 9301 et seq.)
Act of October 18, 1986 (100 STAT 1783)
Act of October 30, 1986 (100 STAT 3341)
Act of September 27, 1988 (102 STAT 1776)

Plan of Operations - BLM Serial No.: NVN

or

Notice - BLM Serial No.: NVN

or

Statewide Bond: _____ or Nationwide Bond Coverage:
(If applicable, write Name of state)
(If Applicable, Write 'YES')

KNOW ALL BY THESE PRESENTS, THAT (name)

of (address)

as principal; is held firmly bound unto the United States of America in the sum of:

USDollars (\$) _____), lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond, for the payment of which sum the principal(s) bind themselves, successors, and assigns, jointly and severally, by these presents.

The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefore, an instrument acceptable to the Bureau of Land Management per 43 C.F.R. 3809. The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982, (31 USC 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney-in-fact for the purpose of negotiating the cash or securities. The interest accruing on the United States securities, cash, or other instruments given above, in the absence of any default in the performance of any of the conditions or stipulations set forth in this bond, or the notice(s) and/or plan(s) of operations, must be paid to the principal. The principal hereby for him/herself, any heirs, executors, administrators, successors, and assigns, jointly and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The Secretary shall transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, or the notice(s) and/or plan(s) of operations

as cited above, and the regulations at 43 C.F.R. Subpart 3802 or 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary shall have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

1. WHEREAS the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations on the mining claim(s), mill site(s), tunnel site(s) or Public Lands under the Acts cited in this bond; and

2. WHEREAS the principal has filed a notice with the United States Department of the Interior and/or received approval from the United States Department of the Interior of a plan of operations, which notice and/or plan of operations contains certain stipulations and conditions; and

3. WHEREAS the principal hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:

a. Any transfer(s) in whole or in part, of any or all of the land covered by the notice(s) and/or plan(s) of operations, and further agrees to remain bound under this bond as to the interest in the notice/plan of operations retained by the principal; and

b. Any modification of the notice(s) and/or plan(s) of operations or obligations thereunder; and

4. WHEREAS the principal hereby agrees that notwithstanding the cancellation or relinquishment of any mining claim(s), mill site(s), or tunnel site(s) covered by the notice(s) and/or the plan(s) of operations, whether by operation of law or otherwise, the bond shall remain in full force and effect as to the terms and conditions of the notice(s) and/or the plan(s) of operations and obligations covered by this bond; and

5. WHEREAS the principal agrees that in the event of any default under the notice(s) and/or plan(s) of operations, the United States, through the Bureau of Land Management, may collect proceeds under the bond and may commence and prosecute any claim, suit, or other proceeding against the principal, without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the notice(s) and/or the plan(s) of operations; and

6. WHEREAS if the principal fails to comply with any provisions of the notice(s) and/or plan(s) of operations, and the noncompliance continues for thirty (30) days after written notice thereof, such notice(s) and/or plan(s) of operations shall be subject to suspension or cancellation under Section 302(c) of the Federal Land Policy and Management Act, as amended [43 USC 1732(c)], and the principal shall also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended (43 USC 1733 and 1735) and the regulations at 43 C.F.R. 3809. This provision shall not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default.

7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has approved the plan(s) of operations or received the notice(s) referenced herein.

8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), his/her heirs, executors, administrators, successors, or assigns shall, in all respects, faithfully comply with all of the provisions of the notice and/or plan of operations referenced herein, any amendments thereto, and the rules and regulations contained in 43 C.F.R Subpart 3809, then this obligation is void; otherwise it shall remain in full force and effect.

Executed this _____ day of _____, 200 .

Principal

By

Title

Business Address

ACKNOWLEDGMENT:

State of _____ County of _____

Subscribed and sworn to before me this

by

Notary Public

My commission expires

3
(February 2001)

NV 3809-2

ATTACHMENT 4

**INFORMATION ON TIME DEPOSITS AND LETTERS OF CREDIT FOR
RECLAMATION BONDING OF PLANS OF OPERATIONS**

Information on Time Deposits and Letters of Credit for Reclamation Bonding of Plans of Operations

The following information is provided to assist the operator, claimant, principal, or obligor in obtaining a Time Deposit or an Irrevocable Letter of Credit to be used as security for Bureau of Land Management (BLM) surface reclamation bonds.

Time Deposits

A Time Deposit (TD) must be presented to the BLM State Office according to the following items:

1. The financial institution issuing the TD must be insured by the Federal Government (FDIC) or the bank must be a Federal Reserve Branch Bank.
2. A TD cannot exceed \$100,000 from any one financial institution.
3. The BLM must hold sole right to redeem the TD. Bank records must reflect that only the BLM may collect the amount of the TD. The TD should be made in the name of the U.S. Department of the Interior - BLM. If the TD is not directly issued in the name of the Department of the Interior - BLM, then the TD must explicitly state on its face that "the Secretary of the Interior must approve the redemption of the TD by any party." Any earned interest will be paid to the obligor--not to BLM.
4. The TD should be provided in the amount required for surface reclamation and include an additional amount sufficient to cover any penalties for early withdrawal. If the TD is submitted for only the amount determined for surface reclamation, the obligor must also submit a statement that any penalties for early redemption will be paid from the obligor's interest earned and not from the principal amount of the TD.

Irrevocable Letters of Credit

A Letter of Credit (LOC) must be presented to the State Office as follows:

1. The LOC must be payable to the Department of the Interior - BLM.
2. The initial expiration date must not be less than one year from the effective date and must contain an automatic renewal provision in at least one-year increments.
3. The LOC must contain provisions allowing collection by BLM for failure of the obligor to replace the bond if 90-day notice is given by the bank that the LOC will not be renewed.
4. The LOC must be available by demand payment(s). The LOC should allow partial drafts by BLM.

The following page is sample language to be used when securing an Irrevocable Letter of Credit.

Irrevocable Letter of Credit No. _____

Date Issued _____

Beneficiary:

DOI, Bureau of Land Management
 Nevada State Office
 1340 Financial Blvd.
 P.O. Box 12000
 Reno, NV 89520-0006

Ladies and Gentlemen:

On behalf of (operator, claimant, other entity) of (address), as obligor, we (bank, financial institution) of (address) hereby establish an Irrevocable Letter of Credit in favor of the U.S. Department of Interior, Bureau of Land Management (BLM) and agree to pay upon demand by BLM, up to an aggregate amount of U.S.\$ _____ upon receipt of your draft(s) at sight on us and your written notification signed by a purported authorized officer of BLM to the effect the obligor has been determined to be in default and the amount drawn represents the reasonable amount, as determined by BLM, of such default.

This Letter of Credit is available with (bank or financial institution) at (address) by sight payment. Partial drawings are permitted.

This Letter of Credit is effective (date), and will expire at our offices in _____ on (minimum of 1 year from effective date), and shall thereafter be automatically renewed for a one year period upon such date and upon each anniversary of such date, unless at least ninety (90) days prior to the then current expiration date we notify you at the above address by certified mail, return receipt requested, that we elect not to renew this letter of credit for such additional period.

Upon receipt by the BLM of such a notice from us not to renew this Letter, BLM may draw on us at sight for up to the amount of the Letter of Credit, prior to the expiration thereof, provided that such a draft is accompanied by a statement signed by a purported authorized officer of the BLM that no satisfactory replacement bond has been provided by the obligor prior to 30 days before this Letter of Credit expires, pursuant to 43 CFR 3809.

It shall not be required for the BLM, in order to draw on this Letter of Credit, to furnish the original Letter; however, it is understood, as a condition of any payment thereunder, that the face amount of the Letter shall automatically be reduced by any payment made by the bank and that the BLM will promptly surrender the original Letter of Credit when and if the bank shall tender to the BLM the full amount of funds represented by this Letter; such surrender to occur as soon as reasonably practical after full payment is made. The original Letter of Credit shall also be surrendered promptly following its expiration.

We promise that the amount of credit herein established will not be reduced for any reason during the effectiveness of this Letter of Credit without the prior written approval of the BLM. We are informed that this Letter of Credit is issued per the requirements of 43 CFR 3809 for case serialized _____.

This credit is subject to the Uniform Customs and Practice for Documentary Credits, 1993 revision, ICC Publication No. 500.

ATTACHMENT 5

INFORMATION ON NEGOTIABLE SECURITIES
OF THE UNITED STATES

INFORMATION ON NEGOTIABLE SECURITIES OF THE UNITED STATES

General information on pledging U.S. Treasury securities as collateral to the U.S. Government is found in U.S. Treasury Circular 154, which was incorporated into the Code of Federal Regulations at 31 CFR 225 (Acceptance of Bonds, Notes, or Other Obligations Issued or Guaranteed by the United States as Security in Lieu of Surety or Sureties on Penal Bonds). A booklet of general information about Marketable Treasury Securities (Bills, Notes, and Bonds) Sold at Original Issue is available from the BLM Nevada State Office.

The following information is provided to assist the operator, claimant, principal, or obligor (hereafter referred to as the "entity") in obtaining a U.S. Treasury bill, bond, or note to be pledged to BLM for bonding purposes. The Treasury security must be in book-entry (electronic) form. Any security in definitive (certificate) form must be converted to book-entry form. Treasury securities pledged to BLM are held in a Circular 154 account through a commercial bank. In most Federal Reserve Bank (FRB) districts this is the number 11 securities account. Securities are moved between various accounts and financial institutions through electronic transfers involving the Federal Reserve Banks or Branches. A security cannot be transferred to or from a Circular 154 account by the entity's commercial bank without authorization being granted to the FRB by the BLM through the Negotiable Securities Custodian located in the BLM National Business Center, Accounting Operations Division (Denver, Colorado).

The following steps should be followed when obtaining a Treasury bond or note as a pledge for a surface management bond in accordance with the regulations at 43 CFR 3809:

1. The entity contacts a financial institution to purchase a Treasury security in the name of the entity providing the bond coverage. If the financial institution is unable or unwilling to set up a Circular 154 account, the security must be transferred to a commercial bank (the correspondent bank) able and willing to set up a Circular 154 account on behalf of the entity. Many financial institutions such as investment firms and smaller banks use a correspondent bank for handling their securities. Before a commercial bank can set up a Circular 154 account, certain paperwork must be completed by the commercial bank and sent to the FRB. The Negotiable Securities Custodian may be contacted at the number listed below for information on banks currently using Circular 154 accounts.
2. The entity provides written authorization to the commercial bank to transfer the security to the Circular 154 account.
3. The entity or entity's bank confirms the purchase of the Treasury security by submitting the following information to the BLM office:
 - A. The entity's name and mailing address.
 - B. The BLM serial number of the plan of operations or notice for which the security is being pledged or a statement that the security is being pledged for a statewide or nationwide bond. If the security is being pledged for a statewide or nationwide bond, identify the state(s) it covers.
 - C. The type of Treasury security purchased (bill, bond, or note).
 - D. The par amount of the security.
 - E. The stated interest rate (NOT the imputed interest rate) of the bond or note. There is no stated interest rate on Treasury bills.
 - F. The maturity date of the security.
 - G. The Committee on Uniform Securities Identification Procedures (CUSIP) number of the security.
 - H. Name and mailing address of the depository financial institution (bank).
 - I. The bank's nine-digit American Banking Association (ABA) number.
 - J. The name of a contact person at the entity's bank.

- K. The telephone and telefax number (including area code) of contact person.
- L. The name of the FRB or FRB Branch servicing the commercial bank.
- M. If the entity's financial institution uses a correspondent bank, the information requested in Items "H" through "L" must also be provided for the correspondent bank.

4. The BLM office will forward this information to the Negotiable Securities Custodian, National Business Center, Accounting Operations Division in writing, usually by telefax. For securities pledged for a statewide or nationwide bond, the BLM office will provide the Negotiable Securities Custodian with the BLM assigned bond number.

5. The Negotiable Securities Custodian will contact the appropriate FRB and the entity's bank or correspondent bank to authorize the transfer of the security to the Circular 154 account. When the bank transfers the security to the Circular 154 account, the bank must include the following information in the electronic transfer message: "Security pledged to DOI- Bureau of Land Management [name of office] by [name of entity] for [plan of operations or notice case file number; statewide/nationwide bond]." The following is an example of an acceptable transfer message: "Security pledged to DOI-Bureau of Land Management, Nevada State Office by Zephyr Cove Corporation for Plan of Operations N00-00-000P."

THE BANK SHOULD NOT ATTEMPT TO TRANSFER THE SECURITY TO THE CIRCULAR 154 ACCOUNT PRIOR TO CONTACT FROM THE NEGOTIABLE SECURITIES CUSTODIAN. MOST FEDERAL RESERVE BANKS AND BRANCHES WILL NOT ALLOW A TRANSFER OF A SECURITY TO THE CIRCULAR 154 ACCOUNT PRIOR TO RECEIVING THE AUTHORIZATION FOR THE TRANSFER FROM THE NEGOTIABLE SECURITIES CUSTODIAN.

Once the security is transferred to the Circular 154 account, the FRB will send the Negotiable Securities Custodian a confirmation of the transfer, usually in the form of an "Acknowledgment of Book Entry Deposit, Release of Account Transfer" and/or "Statement of Pledged Activity." A copy of confirmation will be sent to the BLM office to document the transfer. A copy of confirmation is also sent by the FRB to the entity's bank.

- 6. The entity should send the following to the BLM office as soon as possible:
 - A. All required BLM bond forms properly completed.
 - B. A transaction document from the entity's financial institution to verify the amount the entity paid for the security.

THE AMOUNT PAID FOR THE SECURITY, EXCLUDING ANY SERVICE FEES AND ACCRUED INTEREST, MUST EQUAL OR EXCEED THE REQUIRED BONDING AMOUNT. ATTENTION MUST BE GIVEN TO TREASURY BILLS SINCE THEY ARE SOLD AT A DISCOUNT (LESS THAN THE PAR AMOUNT). THE PAR AMOUNT ON TREASURY BILLS MUST ALWAYS BE GREATER THAN THE REQUIRED BOND AMOUNT.

7. The BLM office will notify the entity by written decision that the personal bond has been accepted, the BLM Bond Number assigned to the bond, and the date bond coverage is effective. A copy of the bond acceptance decision is sent to the Negotiable Securities Custodian.

The following is additional information concerning Treasury securities, which should be considered when deciding to use Treasury securities for bonding purposes:

- 1. A fee is charged by the FRB for transferring securities between financial institutions and/or accounts. The fee may be passed on to the entity by the financial institution. To reduce the cost from fees, it would be advisable to purchase a security with a maturity date approximately equal to the expected required bonding period, although this will need to be weighed against the possibility of rising interest rates on Treasury securities.
- 2. Semi-annual interest payments on Treasury bonds and notes are made by electronic transfer from the FRB to the entity's bank, which will transfer the interest to the entity in accordance with the agreement between the bank and entity (e.g., deposit the interest to a checking or savings account,

etc.). The entity's bank will send a 1099-INT form to the entity in January for interest paid the previous calendar year. A copy of the 1099-INT is sent to the Internal Revenue Service.

3. If a security is no longer required prior to the maturity date, the BLM office will notify the National Business Center (NBC) by memorandum. The NBC will contact the FRB and the entity's bank to transfer the security from the Circular 154 account. The entity will need to inform the bank to retain the security in an investment account, be sold in the secondary (commercial) market, etc.
4. If continued bond coverage is required after the maturity date, the BLM office will, in turn, notify the entity by letter that the security is maturing and that continued bond coverage is required. A copy of the letter is sent to the Negotiable Securities Manager. Depending on the FRB involved, the cash proceeds from the matured security will be held either by the FRB in their Circular 154 suspense account, or, approximately two weeks after the maturity date, be transferred to BLM by the FRB, which will be deposited to the BLM office's suspense account. Should the cash proceeds not be required for bonding purposes, the BLM office will send a memorandum to the Negotiable Securities Manager requesting the release of the cash proceeds from the FRB to the entity's bank, which will give the cash proceeds to the entity; or have a Treasury check issued to refund the cash proceeds to the entity. If the cash proceeds are required for bonding purposes, the cash proceeds will be retained either by the FRB or BLM until replacement coverage is provided. The entity must understand the following concerning a matured security:
 - A. The security converts to cash and stops earning interest on the maturity date.**
 - B. The cash proceeds are not automatically reinvested into a new security.**
 - C. The cash proceeds or the security prior to maturity will not be released to be reinvested into a new security.**
 - D. The cash proceeds or security, prior to maturity, will not be released until a replacement bond instrument has been accepted.**

To ensure the timely release of the cash proceeds from the matured security, the entity should provide replacement coverage as early as possible, preferably at least two weeks before the original security matures.

5. If the entity is in default with the terms and conditions of the plan of operations or notice for which bonding was required; and collection under the bond is necessary, the BLM office will send the Negotiable Securities Custodian a memorandum concerning the situation. If the security has matured or is about to mature, the cash proceeds will be transferred to BLM from the FRB or the entity's bank. No interest is earned from the proceeds kept in the BLM office's suspense account.

If the entity's bank has any questions concerning the information provided, a bank representative may contact the servicing FRB. Any questions regarding BLM's procedures may be directed to the BLM National Business Center, Accounting Operations Division and can be contacted at telephone number (303) 236-6332. The current Negotiable Securities Manager is Dorothy Butler. The mailing address is as follows:

Bureau of Land Management
National Business Center (NBC-621)
P.O. Box 25047
Denver, CO 80225-0047

For information regarding BLM bond requirements in general, the entity may contact Cynthia S. Dragon, State Bond Coordinator, Nevada State Office, at telephone number 775-861-6458. The mailing address is as follows:

Bureau of Land Management
Nevada State Office
P.O. Box 12000
1340 Financial Blvd.
Reno, NV 89520-0006

ATTACHMENT 6

PERSONAL BOND RIDER FORM

PERSONAL BOND RIDER

In consideration for this rider and the acceptance of this rider by the Bureau of Land Management on behalf of the United States of America, this rider attaches to and is part of the current Surface Management Bond, BLM No. NV- further described as:

Issued on behalf of _____

_____, principal, in favor of the United States. The bond provides coverage as shown below:

☐ Individual notice/plan of operations - BLM serial number _____

Statewide _____

(Name of state)

☐ Nationwide _____

(If Applicable, Write/type 'YES')

~~~~~

11/11/11

This rider is to amend the bond as follows:

☐ **INCREASE / DECREASE IN DOLLAR AMOUNT OF BOND COVERAGE**

It is understood and agreed that \_\_\_\_\_, principal, is increasing/decreasing the coverage of this bond to the amount shown below; however, this rider shall not act to increase/decrease the actual cumulative or potential liability above the face amount of the bond, to wit: \_\_\_\_\_

\_\_\_\_\_ U.S. dollars (\$

)

-----

☐ **STATEWIDE / NATIONWIDE BOND**

The principal hereby agrees to and extends bond coverage to include any and all operations under Title 43 CFR, subparts 3802/3809, Surface Management.

-----

☐ **BOND COVERAGE EXTENDED**

The principal hereby agrees to and extends bond coverage to include notice level operations pursuant to regulations at 43 CFR 3809, Surface Management.

-----

☐ THIRD PARTY

It is understood and agreed that \_\_\_\_\_,  
principal, is posting this bond on behalf of \_\_\_\_\_,  
operator, under notice/plan of operations, BLM serial number \_\_\_\_\_.

1

☐ COPRINCIPAL

It is understood and agreed that \_\_\_\_\_, principal,  
is extending the coverage of the bond referenced above to include liabilities for operations  
conducted by \_\_\_\_\_ on notice/plan of  
operations, BLM serial number \_\_\_\_\_;  
or: Specify the applicable operations under a statewide or nationwide bond.

|       |       |       |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

NOTE

This coverage of obligations shall continue whether or not a notice/plan of operations has subsequently been suspended or terminated. This rider shall not act to increase the actual cumulative or potential liability of the principal or bond above the face amount of the bond. Nothing herein contained shall vary, alter, or extend any provision or condition of this bond except as herein expressly stated.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Principal

\_\_\_\_\_  
By

\_\_\_\_\_  
Title

\_\_\_\_\_

**Business Address**

**ACKNOWLEDGMENT:**

State of \_\_\_\_\_, County of \_\_\_\_\_

Subscribed and sworn to before me this \_\_\_\_\_

by \_\_\_\_\_

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
My Commission Expires

2

02/01/2001

# ATTACHMENT 7

ATTACHMENT "A" OF THE NDEP RECLAMATION PERMIT

## **ATTACHMENT A**

### **Documentation of Reclamation Activities for Surety Release**

An operator may request surety release in accordance with applicable State and Federal regulations. The following documentation must be submitted simultaneously to NDEP and the Federal land management agency prior to the agencies conducting a site inspection.

#### **MINING OPERATIONS**

1. Map(s) clearly identifying the area, noting specific treatments and sampling locations (as applicable).

2. Description of the following activities:

**A. Earthwork:**

1. The number of acres regraded and/or ripped.
2. Final slope angles left after regrading.
3. Methodology used to check final slope angles (e.g., clinometer, transit, etc.)
4. The number of acres that received topsoil/growth medium.
  5. Depth and source of topsoil/growth medium and application method.
  6. Dates of initiation and completion of activities.

**B. Revegetation Activities:**

1. The number of acres that were seeded and/or planted.
2. Seed bed preparation methods utilized.
3. Seeding/planting methods used (e.g., broadcast seeding, etc.).
4. Provide information on how seed was covered.
5. Seed mix and seeding rate; document by maintaining seed tags and any testing results (PLS, germination, noxious weeds, etc.)
6. The number of acres that received fertilization, mulch or amendments.
7. Fertilizer (N-P-K, type, application rate, application method).

8. Mulches and soil amendments (type, application rate, and application method).
9. Date of initiation and completion of activities (such as seeding, seed bed prep, irrigation).

**C. Final Revegetation Sampling:**

1. Adjacent representation type or range site description (baseline data).
2. Sampling method (e.g., line intercept).
3. Number of samples taken (disturbed and adjacent representative sites).
4. Statement of methodology demonstrating sample size, adequacy and how the location of sampling sites were determined.
5. Results of sampling (copy of sampling worksheet) for disturbed and representative areas. Indicate all perennial species located.
6. Dates of sampling.

1

**D. Other Reclamation Activities:**

Other reclamation activities such as; structure and debris removal, safety feature installation, erosion control treatment, equipment removal or other permit requirements.

3. Detailed calculation of the surety amount proposed for release if applicable.
4. Prior to release, a field inspection is required to verify that reclamation has been performed in accordance with the approved reclamation plan and permit.

## **EXPLORATION PROJECTS**

1. Map(s) clearly identifying the area, noting specific treatments and sampling locations (as applicable).

2. Description of the following activities:

**A. Earthwork:**

1. The number of acres regraded.
2. Dates of initiation and completion of activities.

**B. Revegetation Activities:**

1. The number of acres that were seeded and/or planted.
2. Seed bed preparation methods utilized.
3. Seeding/planting methods used (e.g., broadcast seeding, etc.).
4. Provide information on how seed was covered.
5. Seed mix and seeding rate; document by maintaining seed tags and any testing results (PLS, germination, noxious weeds, etc.).
6. The number of acres that received fertilization, mulch or amendments.



7. Fertilizer (N-P-K, type, application rate, application method).
8. Mulches and soil amendments (type, application rate, and application method).
9. Date of initiation and completion of activities.

**C. Other Reclamation Activities:**

Other reclamation activities such as drill hole plugging, structure and removal, safety feature installation, erosion control treatment, equipment removal or other permit requirements.

3. Detailed calculation of the surety amount proposed for release if applicable.
4. Prior to release, a field inspection is required to verify that reclamation has been performed in accordance with the approved reclamation plan and permit.

# ATTACHMENT 8

NOTIFICATION OF CHANGE OF OPERATOR

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NOTIFICATION OF CHANGE OF OPERATOR And ASSUMPTION OF PAST LIABILITY

The mining law surface management regulations at 43 CFR 3809.116(c) require that obligations accrued or conditions created under an operation remain with that operator until (1) BLM accepts a satisfactory replacement financial guarantee adequate to cover the previously accrued obligations and (2) BLM receives documentation that a transferee accepts responsibility for the transferor's previously accrued obligations. Therefore, the undersigned transferee hereby assumes all liabilities that may be outstanding on the plan of operations or notice shown below, including, but not limited to, the obligation to properly reclaim and restore the land disturbed on said plan or notice within the approved reclamation plan or notice filed with the BLM; provided that the obligation shall not act to increase the potential or cumulative liability above the face amount of the replacement bond to which this notification attaches in the amount stated below as required from the transferee.

1. BLM Plan of Operations and/or Notice Number(s):
2. Date BLM Approved the Plan of Operations or Date Notice was Filed with BLM: \_\_\_\_\_
3. Change of operator is proposed effective \_\_\_\_\_ as follows:

(Date)

FROM: Current Operator \_\_\_\_\_

Address \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Surface Reclamation Bonding Amount Currently Required: \$ \_\_\_\_\_

TO: Proposed Operator \_\_\_\_\_

Address \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Surface Reclamation Bonding Amount Required: \$ \_\_\_\_\_

Change of Operator Approved (Pending Bond):

(Field Manager)

(Date)

cc: Branch of Minerals Adjudication (NV923)  
P.O. Box 12000

NV 3809-3

Reno, NV 89520-0006

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(March 2002)